



April 11, 2018
World Trade Center, 401 E. Pratt Street
17th Floor Conference Room, Baltimore
9:00am-11:00am

Cabinet Members:

R. Michael Gill, Secretary, Department of Commerce, Chair
Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)
Kelly Schulz, Secretary, Department of Labor, Licensing and Regulation (DLLR)
Jimmy Rhee, Special Secretary, Governor's Office of Small, Minority, & Women Business Affairs (GOSBA)
Ben Grumbles, Secretary, Department of Environment (MDE)
Mark Crampton, Assistant Secretary, Department of Transportation (MDOT) for Secretary Pete Rahn

Guests:

Yesim Karaman, Office of the Governor
Jim Fielder, Secretary, Maryland Higher Education Commission (MHEC)
Michael Higgs, Director of Assessments & Taxation (SDAT)
Tony Reed, Deputy Secretary, DHCD
Ben Wu, Deputy Secretary/COO, Department of Commerce
Horacio Tablada, Deputy Secretary, MDE
Mike Morello, Governor's Office of Performance Improvement (GOPI)
Michael White, DHCD
Linda Gilmore, DLLR
Brady Walker, Department of Commerce
Steve Pennington, Department of Commerce
Julie Woepke, Department of Commerce
Sharon Markley, Department of Commerce
Lisa Swoboda, Department of Commerce
Emily Tocknell, Department of Commerce

I. Call to Order

Secretary Gill called the meeting to order and welcomed members and guests

II. Chair Update

Secretary Gill updated the Cabinet on the Open for Business Marketing Campaign. He said that the \$1.6 million spring campaign was launched in March with continued in-state ad placements and expansion to strategic out-of-state markets. He stated the paid media will be found in *Site Selection* magazine, *Inc.* magazine, *Washington Post*, *The Wall Street Journal* and various digital platforms. Additionally, he reported that several brand awareness/special projects are underway. Secretary Gill then reviewed several of the new ads and digital/social media placements. (Presentation on file.)

Discussion of the campaign occurred. Secretary Fielder recommended the inclusion of testimonials in future marketing.

At 9:30am, Secretaries participated in a conference call with staff exiting the room. The meeting was reconvened at 9:40am.

II. 2018 Legislative Wrap Up

Cabinet Secretaries provided updates on 2018 legislation of importance. Secretary Gill reported on the passing of Senate Bill 877 – PRIME Act in support of the attraction of Amazon HQ2; House Bill 1295 – One Maryland Tax Credit Simplification and Alteration which improves and expands the existing program; Senate Bill 228 – Cybersecurity Incentive Tax Credit which provides a tax credit to investors of cybersecurity companies providing capital to small, startup companies; and reported that Commerce’s FY19 operating budget remains at the same level as FY18 - \$150 million.

Secretary Grumbles reported that MDE experienced an overall good session with the passing of a water reuse bill in Carroll County and an offshore wind bill, and the defeat of forest conservation act. Discussion then occurred regarding the Conowingo Dam and the partnership with Excelon to invest in clean up upstream.

Assistant Secretary Mark Crampton updated the Cabinet on a bill to support the Washington Metropolitan Area Transit Authority (WMATA) at \$167 million annually, the PRIME Act; an increase of 4% for Maryland Transit Authority (MTA); \$300 million to counties for road maintenance; no change to the Public Private Partnership laws; Senate Bill 38 which allows for the access of birth certificates at Motor Vehicle Administration (MVA) offices; Senate Bill 39 which allows permanent disability placards; and House Bill 253 aligning Maryland with federal law related to auto transporters. He also added that by June of 2018, 50% of all state roads will have been completed with resurfacing or construction.

Secretary Schulz reported on the passing of legislation to protect consumers in relation to credit rating agencies; a tax credit for businesses with under 15 employees to assist with compliance with the paid sick leave bill (300,000 businesses fall into this category); the transfer of code enforcement of modular homes to DLLR from DHCD; and the minimum wage bill did not pass.

Michael White, Chief of Staff to Secretary Holt reported that the Neighborhood Revitalization Program will receive increased funding; Project Creating Opportunities for Renewal and Enterprise (C.O.R.E) funding will continue for an additional four (4) years; the

Smart Buy Program which assists with student debt was funded at \$2 million; and the Office of Rural Broadband will be housed in DHCD with an Executive Director to coordinate statewide initiatives.

Secretary Rhee reported on increased coordination of small business resources and a focus to assist medical cannabis businesses with the Minority Business Enterprise (MBE) certification process. Secretary Fielder reported on a successful session with the funding of \$15 million for community colleges; a \$9 million tax credit for students with over \$25,000 in student loan debt; and funding added for the Cyber Warrior curriculum at Historically Black Universities (HBUs). SDAT Director Higgs reported that nine (9) of the 10 Departmental bills passed that would repeal several laws that are burdensome to small business and are unfriendly.

III. Maryland Military & Federal Affairs

Lisa Swoboda, Acting Managing Director, Office of Military & Federal Affairs presented an overview of the federal footprint in Maryland highlighting that the state ranks #1 in federal obligations for research and development, there are 20 military installations, 60 federal agencies and 74 federal labs – twice as many as other state. She continued by outlining the outreach to civilian federal agencies, federal contractors and alliances. Ms. Swoboda noted the military economic impact to Maryland was \$57 billion in FY12 and that a new impact study is underway. She highlighted innovation initiatives at several installations, events and federal grant support. (Presentation on file.)

IV. Cabinet Workgroups

a. Customer Service

Mike Morello, Director, GOPI referenced the ongoing customer service activities – Workgroup and liaison meetings, agency plans and annual report, recognitions as part of regional Cabinet meetings, survey data and branding. He noted the upcoming April 23rd bi-annual Customer Service Liaisons Meeting and the Celebrate National Customer Experience Day scheduled for October 2, 2018. Mr. Morello provided a demonstration of the Customer Service Survey Results portal available to all Secretaries. (Presentation on file.)

b. Workforce

Sharon Markley, Director, Education & Innovation, Strategic Industries and Entrepreneurship, Department of Commerce and Linda Gilmore, Manager, Office of Workforce Development, DLLR provided an update on the Workforce Development Taskforce (WDT). Meetings have been held focused on identifying how to connect businesses to the robust Maryland workforce development ecosystem via a web-based platform. Ms. Markley reviewed the new Maryland Business Express website, and referenced the State of California business portal is being reviewed as a best practice. She outlined next steps to include presenting a recommendation and implementation strategy to the Cabinet in June, 2018. (Presentation on file.)

c. Job Creators

Ben Wu, Deputy Secretary/COO, Department of Commerce gave a brief update on the top five job creators: 1) Federal Bureau of Investigation (FBI) – project is at a standstill under

September, 2018; 2) Tradepoint Atlantic – federal government has committed \$20 million to dredging and the Amazon distribution center is on target to open in late 4Q18 – noting the recent opening of the Amazon center in Cecil County; 3) Port Covington - Goldman Sachs is committed to \$33 million for the project and Phase 1B permits for property near the former Baltimore Sun building are in process; 4) Amazon HQ2 – the State did not receive requests for additional information upon the recent submission; and 5) Project C.O.R.E. - Secretary Holt reported on the strong momentum from the private sector who will demolition 50% of the needed demolitions and the program received funding for an additional four (4) years. He also briefed on the new Federal Opportunity Zones Program. Secretary Holt reported that 149 zones will be designated by the Governor with input from Commerce and the DHCD.

V. Business Development Activity

Steve Pennington, Managing Director, Business & Industry Sector Development, Department of Commerce highlighted several notable projects, recent wins that reflect 2,570 new and retained jobs and pending announcements that reflect 842 new and 795 retained jobs. (Presentation on file.)

VI. Review and approval of February 15, 2018 Minutes

Upon motion duly made and seconded, the minutes of the February 15, 2018 meeting were approved.

VII. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 11:00am by Secretary Gill.